

D.T.E. 03-117-A

January 6, 2004

Petition of Boston Edison Company d/b/a NSTAR Electric for approval of its 2003 Transition Charge True-Up, pursuant to G.L. c.164, § 1A(a), 220 C.M.R. § 11.03(4) and the Restructuring Settlement Agreement approved by the Department of Telecommunications and Energy in D.P.U./D.T.E. 96-23.

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FOR: BOSTON EDISON COMPANY  
Petitioner

## I. INTRODUCTION

On December 1, 2003, pursuant to G.L. c. 164, § 1A(a), 220 C.M.R. § 11.03(4) and the Restructuring Settlement Agreement approved in Boston Edison Company, D.P.U./D.T.E. 96-23 (1998), Boston Edison Company d/b/a NSTAR Electric (“BECo” or “Company”) filed with the Department of Telecommunications and Energy (“Department”) a Reconciliation Filing (“Filing”). The Filing included a reconciliation of 2003 transition, transmission, standard offer and default service costs and revenues, as well as proposed updated charges and tariffs to be effective January 1, 2004. The Filing also proposed a redesign of distribution rates for the Company’s rate classes. The Department docketed the Filing as D.T.E. 03-117.

On December 4, 2003, the Department issued a notice and a request for comments on the Company’s Filing. On December 17, 2003, the Attorney General of the Commonwealth of Massachusetts (“Attorney General”) filed comments. On December 22, 2003, the Company replied to the Attorney General’s comments. The Company responded to four Department information requests.

On December 30, 2003, the Department rejected the rate redesign proposal. Boston Edison Company, D.T.E. 03-117 (2003); see Cambridge Electric Light Company and Commonwealth Electric Company, D.T.E. 03-118 (2003). On January 5, 2004, the Company updated its Filing along with the proposed charges and tariffs to comply with the Department’s directives.

## II. DESCRIPTION OF PROPOSED TARIFFS

According to the Company, the rate adjustments affect its transition, transmission, standard offer service charges, as well as its energy efficiency and renewables programs. The rate adjustments also affect the default service adjustment factor. The proposed changes in rates include the following: average transition charge rates of \$0.01870 per kilowatthour ("KWH"); average transmission charge rates of \$0.00622 per KWH; standard offer charge rates \$0.05100 per KWH; default service adjustment factor of \$0.00073 per KWH; and pension adjustment of \$0.00089 per KWH. Finally, the Company states that these new rates are filed in accordance with the Company's response to IR-DTE-1-4.

## III. ANALYSIS AND FINDINGS

Based upon the Department's review of the Company's filing and the comments received, the Department has determined that further investigation is necessary. The Department finds, however, that the tariffs filed by the Company on December 31, 2003, for service on and after January 1, 2004, are in compliance with Department precedent<sup>1</sup> and G.L. c. 164, § 1B(b). The rate changes are allowed, subject to reconciliation pursuant to the Department's ongoing investigation.

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<sup>1</sup> Boston Edison Company, D.P.U./D.T.E. 96-23 (1998); Boston Edison Company, D.T.E. 98-111 (1999); Boston Edison Company, D.T.E. 99-107 (2000); Boston Edison Company, D.T.E. 00-82 (2001); Boston Edison Company, D.T.E. 01-78 (2002); Boston Edison Company, D.T.E. 02-80A (2003).

III. ORDER

After review and consideration, it is

ORDERED: That the operation of revised tariffs submitted by Boston Edison Company with the Department on January 5, 2004, M.D.T.E. Nos. 102D, 104B, 120B through and including 123B, 130B through and including 135B, and 140B through and including 142B, for service on and after January 1, 2004, are ALLOWED; and it is

FURTHER ORDERED: That the transition, transmission, standard offer service and default service costs and revenues for Boston Edison Company are subject to reconciliation pursuant to the Department's investigation.

By Order of the Department,

\_\_\_\_\_/s/\_\_\_\_\_  
Paul G. Afonso, Chairman

\_\_\_\_\_/s/\_\_\_\_\_  
W. Robert Keating, Commissioner

\_\_\_\_\_/s/\_\_\_\_\_  
Eugene J. Sullivan, Jr. Commissioner

\_\_\_\_\_/s/\_\_\_\_\_  
Deirdre K. Manning, Commissioner